

Message Text

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PAGE 01 MANILA 01442 271051Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 PRS-01 L-03 SCS-06 CA-01
OES-07 SS-15 /054 W
-----053251 271059Z /16
P 270823Z JAN 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 918

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E. O. 11652: NA
TAGS: EFIN, ENRG, RP
SUBJECT: U.S. IRS INVESTIGATION OF WESTINGHOUSE ELECTRIC

1. IRS TREASURY ATTACHE AT EMBASSY MANILA, J.A. BURKS, HAS SENT THE FOLLOWING MEMORANDUM TO AMBASSADOR NEWSOM CONCERNING BURKS' SELF-INITIATED INVESTIGATION OF RECENT PRESS ALLEGATIONS OF POSSIBLE IMPROPER PAYMENTS MADE BY WESTINGHOUSE ELECTRIC CORPORATION IN THE PHILIPPINES.

2. BEGIN QUOTE: IN VIEW OF THE ALLEGATIONS APPEARING IN THE NEWSPAPERS, ETC., CONCERNING POSSIBLE IMPROPER OR ILLEGAL PAYMENTS MADE BY WESTINGHOUSE ELECTRIC CORPORATION TO THE HERDIS MANAGEMENT AND INVESTMENT CORPORATION (HMIC) GROUP, THE ECON/COMM SECTION, U.S. EMBASSY, MANILA, WAS ASKED TO FURNISH TO MY OFFICE FOR REVIEW THE FILES THEY HAVE ACCUMULATED IN THIS MATTER INCLUDING ANY STATEMENTS OBTAINED FROM WESTINGHOUSE OFFICIALS. THE ECON/COMM SECTION HAS SUGGESTED THAT AUTHORIZATION FOR RELEASE OF THIS INFORMATION TO ME BE OBTAINED FROM YOU AS MY OFFICE IS A BRANCH OF THE DEPARTMENT OF TREASURY AND NOT A PART OF THE DEPARTMENT OF STATE. THIS MEMO IS TO REQUEST SUCH AUTHORIZATION IN ACCORDANCE WITH SECTION 7602, IRC (TITLE 26, U.S.C.).

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THE INTERNAL REVENUE SERVICE'S INTEREST IN THIS MATTER IS THE POTENTIAL FOR DISALLOWING TO WESTINGHOUSE, A U.S. CORPORATION, UNDER THE PROVISIONS OF SECTION 162(C)(1), IRC, ALL OR A PORTION OF ANY ILLEGAL PAYMENTS, BRIBES, KICKBACKS OR OTHER PAYMENTS MADE DIRECTLY OR INDIRECTLY TO AN OFFICIAL OR EMPLOYEE OF ANY AGENCY OR INSTRUMENTALITY OF ANY GOVERN-

MENT, IF THE PAYMENT WOULD BE UNLAWFUL UNDER THE LAWS OF THE UNITED STATES. SUCH A DISALLOWANCE OF EXPENSES WOULD RESULT IN A U.S. TAX LIABILITY. THE BURDEN OF PROOF IN SUCH A CASE RESTS ON MY OFFICE AS THE DELEGATE OF THE SECRETARY OF THE TREASURY.

IT IS BELIEVED TO BE IMPERATIVE THAT I PARTICIPATE IN THIS MATTER AT ITS INCEPTION AND UNTIL ITS CONCLUSION, IF MY DUTIES AND RESPONSIBILITIES ARE TO BE FULFILLED.

YOUR FAVORABLE CONSIDERATION OF THIS REQUEST WILL BE APPRECIATED. END QUOTE.

3. COMMENT: EMBASSY SEEKS DEPARTMENT GUIDANCE ON APPROPRIATE RESPONSE TO THIS REQUEST. CONSIDERING THAT DEPARTMENT HAS COPIES OF ALL CABLES AND MEMORANDA EMBASSY HAS PRODUCED ON THIS SUBJECT, WE BELIEVE THAT WASHINGTON WOULD BE THE PROPER VENUE FOR THE REQUEST BY TREASURY TO STATE.
NEWSOM

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BRIBERY, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 jan 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA01442
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780040-0828
Format: TEL
From: MANILA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780115/aaaaalxa.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7faf70df-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
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Previous Handling Restrictions: STADIS
Reference: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3701981
Secure: OPEN
Status: NATIVE
Subject: U.S. IRS INVESTIGATION OF WESTINGHOUSE ELECTRIC
TAGS: EFIN, ENRG, RP, WESTINGHOUSE
To: STATE
Type: TE
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Review Markings:
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